You’re not recession proof

I don’t think anyone’s recession-proof. I’ve been through three recessions and I know they affect everyone and everything. — J. Landon Reeve, Chapel Valley Landscape

Professionals in every landscape service and customer segment told Landscape Management recently that their particular offerings were “recession-proof.” These are people representing commercial construction, commercial maintenance, chemical lawn care, residential construction, residential maintenance, irrigation, arbor care, even add-on special services. They saw potential problems in the other guy’s area, not theirs. Most admitted they’ve had some slowdown in business, or they foresee slowdowns coming. But what a great attitude to have — being positive about their services and the fact that they’re still perceived to be a “necessity” to clients, not a “luxury.”

Not to worry, they say. Many have survived other past recessions and saw how their businesses emerged intact and even stronger afterward.

I believe these experienced pros know what they’re talking about and so should you. But you should also understand that this current economic situation has many of our best economists puzzled and involves a war against terrorists on our own turf.

Keep doing what you’re doing

No one can say when the economy will turn around or how the war against terrorism will result. We don’t even know for sure if anyone is “recession-proof.” I’d be shocked if most of you don’t survive this downturn well because I see so many intelligent, adaptive owners and managers who are willing to learn and open to change.

So how can you make your organization “recession-resistant?” You can start by doing the things you should be doing all along, even when times are great:

✓ Look for ways to manage your costs better
✓ Price your work for profits
✓ Keep a constant eye on your bottom line, not just the top line
✓ Be customer-centered and responsive to their needs and concerns
✓ Build an organization where good employees want to stay and grow
✓ Constantly reinforce the value of your services, your professionalism and the benefits your clients receive.

New strategies for 2002

As business changes next year, you’ll need to adjust your operations. Be prepared to market and sell more aggressively, understand your operations better than ever and ask for help. On page 20, we cover this situation more fully.

Remember, most of those Green Industry pros who’ve weathered previous recessions would agree with Landon Reeve’s footnote: “This is still a very strong market. We have more opportunities than we could possibly handle.”

Contact Sue at 440/891-2729 or e-mail at sporter@advanstar.com

I’d be shocked if most of you don’t survive this downturn because I see many intelligent, adaptive owners and managers who are willing to learn and open to change.
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Rethink your labor needs

In spite of the awful events of the past several months, the grass in my yard kept growing. Soft autumn rains and cooler temperatures made it a chore to keep it mowed. The trees at my home needed trimming and my wife's flower beds still required prepping for the winter.

Regardless of the latest disquieting news from the media, the sun will continue to shine, the rain to fall and grass, trees and gardens to grow.

Some of you who have been through tough times before tell me the public will want our services, regardless of the economy. You say that was the case during the 1981 recession, the nation's worst since The Great Depression, and also during the 1991 recession.

Among the reasons you expect clients to continue to ask for our services include:

- During uncertain times, families cut back on travel and extended vacations and seek the security that their homes and landscapes provide.
- Retail and commercial properties, facing stiffer competition for tenants or off-the-street traffic, must maintain curb appeal.
- Security concerns will make our services even more necessary for maintaining public properties such as power plants, right of ways and easements, highways and, because of recent events, commercial and industrial properties, too.

But not even the most optimistic of us expect next season to be "business as usual." Some of our largest clients are suffering financially, and they'll likely consider cutting their ground's budgets. We need to stay on top of this in order to retain these accounts and also to budget for next season's labor.

Consider these new labor realities as we work out our manpower needs for the approaching 2002 season:

- Chances for a new Guest Worker Program evaporated with the tragic events of Sept. 11. Discussions between President George W. Bush and Mexican President Vincente Fox stopped.
- Talk in congress for an amnesty program also ceased. It would have legalized as many as 3 million illegal residents. (If your immigrant workers weren't "legal" last year, guess what? They won't be this year, either.)
- The INS has dramatically strengthened U.S. borders. INS funding, at least in the short-term, is no longer an issue for congress, which had already quadrupled the INS's budget during the past decade. Expect a fiercer effort to find and deport illegal immigrants.
- Displaced U.S. workers are unlikely to join the hourly payrolls of labor-strapped landscape/lawn companies. Many of the downsized workers have come from white-collar ranks — at least so far.
- On the plus side, the H-2B program that allows U.S. businesses to import seasonal migrant workers remains intact, and initial indications from government agencies are that they don't plan to enforce the 66,000 worker cap.

Times are tough for a lot of your clients and may get tougher. Stay in contact with them, and begin budgeting for your 2002 manpower needs pronto.

Contact Ron at 440/891-2636 or e-mail at rhall@advanstar.com

Some of our largest clients are suffering financially, and they'll likely consider cutting their budgets. We need to stay on top of this in order to retain these accounts and also budget for next season's labor.
FMC nabs rights to new insecticide

PHILADELPHIA, PA — FMC Corp. entered into an exclusive agreement to develop, market and distribute a new Ishihara Sangyo Kaisha, Ltd. insecticide in the U.S. The insecticide, which will control sucking pests that transmit injurious diseases among plants, will enter the market in 2004 or 2005.

LESCO to add independent dealers

STRONGSVILLE, OH — LESCO Inc. is expanding its distribution system to include a wide network of independent dealers outside its current 228 lawn care service centers. The new program is aimed at 500 markets across the United States. LESCO will sell all its chemical products, fertilizers, seed and equipment through the program, which will include special dealer training. The company also plans to add another 109 service centers.

Griffin registers new herbicide

VALDOSTA, GA — Griffin LLC registered a new herbicide called TranXit for controlling poa annua and other grasses and broadleaf weeds in warm-season turf.

L.R. Nelson plans reorganization

PEORIA, IL — The L.R. Nelson Corp. is reorganizing into two separate business units, one focused on retail lawn and garden products and the other on professional turf irrigation products.

EII buys TruGreen Landcare Construction Group

TruGreen retains lawn care, maintenance divisions

BY SUE GIBSON PORTER / EXECUTIVE EDITOR

CALABASAS, CA — In a move that's been in the works since mid-summer, Environmental Industries Inc. has agreed to purchase the landscape design/build assets of TruGreen LandCare LLC, a wholly owned subsidiary of ServiceMaster Corp. (SVM), Chicago. TruGreen will continue to operate its lawn care and landscape maintenance divisions within ServiceMaster. TruGreen's construction operations had sales of approximately $168 million in 2000.

Terms of the deal were not disclosed.

EII plans to make the new landscape construction assets part of its Valley Crest Division. New or expanded markets for Valley Crest now include Washington-Baltimore, Boston, Minneapolis, Chicago and Austin.

Richard Sperber, president and COO of Environmental Industries, commented on the purchase, "We are pleased to join with these operations and the teams that run them. These are outstanding organizations with a good reputation and include some of the finest landscape people we know."

Until recently, Richard Sperber served as president of Valley Crest. He added, "We've been searching for the right mix of acquisition opportunities to complement the great market position we enjoy. This deal makes sense..."
strategically. It strengthens our core services and our ability to offer full-service landscape and site development services for customers across the country.

The new organizations will report to Valley Crest's recently appointed president and COO, Thomas Donnelly. "This move develops access to new growth opportunities and creates an industry leader committed to world-class practices and operational excellence," he said.

The acquisition is Ell's fourth in the last 24 months and is a part of a strategy of moving into more eastern and northern landscape markets, as well as providing new opportunities to develop the firm's extensive landscape design/build business. Valley Crest is known for its full-service capabilities, as well as specialty construction work in unique and complicated projects such as Las Vegas casinos and Disney World's Animal Kingdom.

The move increases Ell's employee rolls to more than 6,500 and boosts its annual proforma revenue to nearly $600 million.

What's New On-Line
This month at www.LandscapeManagement.net:
- October features
- LM Week in Review
- 10 steps to strengthening your organization!

Info Center
Videos and Literature for the Green Industry

It's raining irrigation products... in Century Raid Aid's new 2001-2002 supplies catalog, available free to landscape professionals by calling Century at 800/347-4272 or by registering on the Century Web site at www.rainaid.com. Thousands of landscape irrigation supplies and specialty products, including sprinklers, valves, central control systems, low volume irrigation and more are featured in the 160-page catalog.

Tons of truck accessories... can be found in AW Direct, Inc.'s spring 2001 catalog. Products include Whelen lightbars, reflective clothing, ratchet binders, chains, hooks, wire rope and toolboxes. To receive a free catalog, call 800/243-3194 or send an e-mail to contactus@awdirect.com.

Mid-mount "Z" fans... should check out Walker Manufacturing's new brochure, "What You Should Know Before Buying a Mid-Mount 'Z' Riding Mower." Provided in the brochure is a 10-point checklist to help customers match the best of two styles of mowers to the intended application while understanding their real-life needs. For a copy, call 970/221-5614.

People & companies

The Toro Company
named Tim Ford vice president and general manager of its Commercial Division.

Pursell Technologies promoted Dave Heegard to vice president of sales.

Environmental Industries appointed Nada Duna vice president and Roger Zino president and chief operating officer.

BASF appointed Allison Moskal national sales manager for the Turf, Ornamental and Pest Control group.

Valley Crest, the landscape company and wholly owned subsidiary of Environmental Industries, named Thomas C. Donnelly president and chief operating officer.

Robert L. Crudup president and chief operating officer.

Dow AgroSciences named Chris Wootley marketing manager for turf and ornamental insecticides.

Responsible Industry for a Sound Environment hired Frank Gasperini as director of state issues.

Textron Golf, Turf & Specialty Products named John Dreibelbis manager of advertising and communications.

For more information on these and other companies, visit www.LandscapeManagement.net.
Twin cities target phosphorus fertilizers

MINNEAPOLIS — Beginning Jan. 1, 2002, commercial lawn care applicators will no longer be allowed to use turfgrass fertilizers containing phosphorus here. City council members, citing the need to protect lakes within city limits, approved the ban Sept. 28. Minneapolis followed the lead of surrounding suburbs that have also banned the use of phosphorus-containing fertilizers. As of this writing, lawmakers in the City of St. Paul were considering similar action.

The opposition speaks

Both the Minnesota Nursery Landscape Association (MNLA) and Responsible Industry for a Sound Environment (RISE) are opposing this city-by-city effort to restrict the efforts of commercial applicators.

"The ordinance is wrong on the facts, and it’s wrong on the science," says Jim Skillin, manager of formulator issues for RISE. "They’re doing this because they think it’s going to improve the water quality in their lakes, but it’s not. In the long term it will impair water quality. The turf will get thinner and there will be erosion and more runoff."

In unsuccessfully trying to head off the ordinance, Skillin asked council members "to conduct a little research on the subject of inorganic phosphorus in lawn fertilizer products." He told them that inorganic phosphorus from turf fertilizer reacts with the soil and doesn’t travel far within the soil. He said a bigger problem is organic phosphorus leaching out of dead vegetation.

MNLA executive director Robert Fitch says his group opposes the “patchwork quilt” approach that each community is taking in regards to the issue.

The Minneapolis ordinance also covers retailers that sell turfgrass fertilizer. After Jan. 1, lawn fertilizer displays containing phosphorus will be limited to 10% of the quantity of non-phosphorus lawn fertilizer on display.

— Ron Hall
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Circle No. 110
Growth strategies for the road ahead

Spring 2002 will be far different from Spring 2001. Understand your options now to make your organization ‘recession-resistant’

BY SUSAN PORTER

Few businesses are unaffected by our changing economy and the events of September 11th. The outlook for Green Industry business in 2002 has changed dramatically, and savvy professionals are already adjusting their plans.

How can you prepare? Several experienced pros shared their ideas with Landscape Management, which we've covered below and online at www.landscapemanagement.net (with more details).

Today's new economy calls for new priorities: understanding your changing market; keeping current customers and seeking new ones; understanding your costs and how you can be more profitable; realizing your strategic advantages; and selling aggressively.

Recession ahead

Early in 2001, several Green Industry organizations saw slower business as a result of the general economy's trickle-down effect:
- business closings
- lower office occupancy rates
- maintenance budget cutbacks
- postponed / cancelled capital spending projects
- more layoffs.

This affected commercial landscape design/build and maintenance first. Then, a slowing economy began to erode consumers' confidence as many investors lost money on the stock market and the events of September 11th engendered new fears.

"We expect to see a dramatic slowdown in the commercial building arena and possibly a double-digit reduction in new housing starts," says Rick Randall, president of RBI Companies, Littleton, CO. "I say possibly because the Fed's continuous lowering of interest rates may help hold housing up, depending on the mood of the consumer."

The mood going into 2002 is challenging: businesses are concerned about investment and cost cutting; consumers are hesitant to invest in big-ticket items.

High anxiety: the new consumer

"The events of the last week (mid-September) I find most alarming is the stock market is down more than 1,000 points. The amount of wealth that disappeared is of great concern to me as I see it effecting our residential landscape sales," said Michael Currin, president of Greenscape Inc., Holly Springs, NC.

World events may inhibit investment in large projects, says Don Willig, president of Consortium Management Services, Cincinnati, OH.

"Much of our industry is driven by discretionary income...People will minimize, delay or postpone projects if world events are producing anxiety for them."

continued on page 22